

MODOC COUNTY ECONOMIC FORECAST

Modoc County is located in the northeastern corner of the state bordering Nevada and Oregon. Approximately 90 percent of the land in the county consists of national forests and wilderness areas. The county's official slogans include, "The last best place," and "Where the West still lives." Modoc County has a population of 9,669 people and 2,783 wage and salary jobs. The per capita income in Modoc County is \$28,915, and the average salary per worker is \$35,736.

In 2009, total wage and salary employment fell by 70 jobs in Modoc County, a decline of 2.5 percent. Non-farm employment, which accounts for 88 percent of total employment in the county, lost 22 jobs last year. The unemployment rate increased to 13.1 percent in 2009.

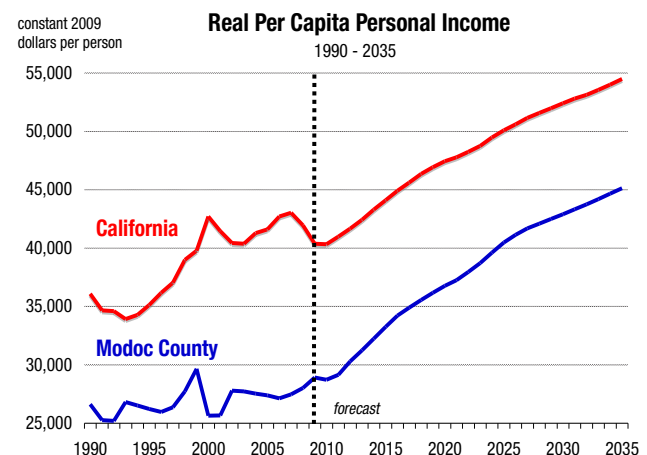
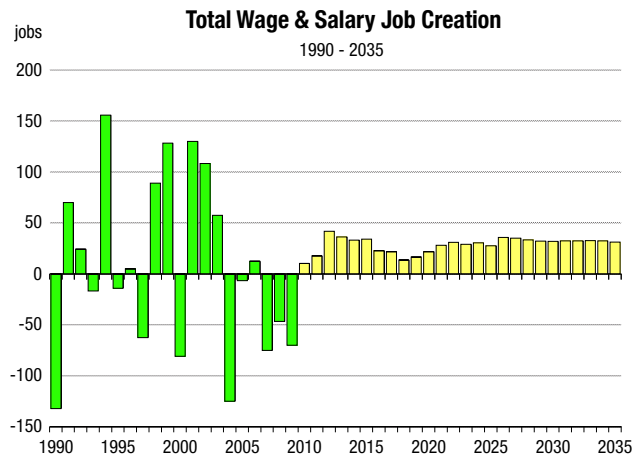
The government sector added 60 jobs in 2009, the most of any sector in Modoc County. Employment levels in all other sectors of the economy were down. The retail trade sector lost 92 jobs in 2009, and the farm sector declined by 48 jobs. The largest employment sector in the county is government, which accounts for over half of all wage and salary jobs.

The population grew 0.2 percent in 2009. The only incorporated city is Alturas, home to 29 percent of the county's population. The population of Alturas declined 0.4 percent between January 2008 and January 2009. Net migration was positive last year, with 16 net migrants entering the county.

Employment growth is expected to remain positive, but slow over the next several years. Population growth will remain positive, but will be minimal.

FORECAST HIGHLIGHTS

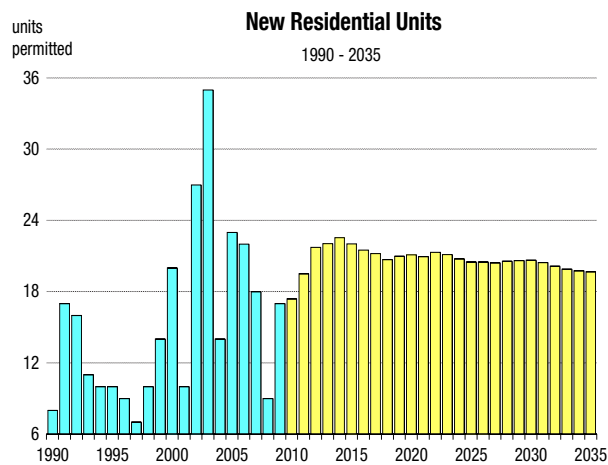
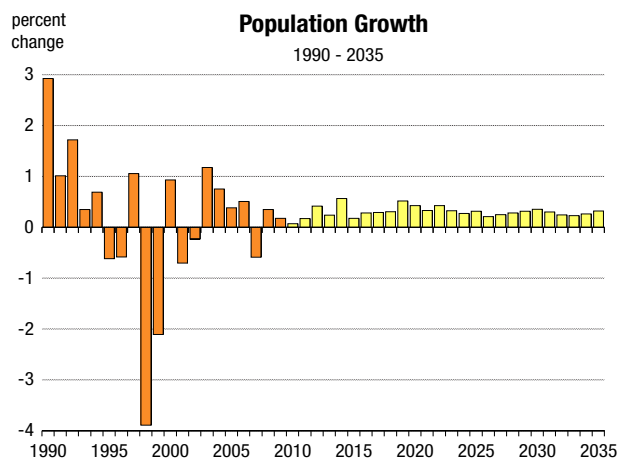
- Total wage and salary job growth is forecast to increase 0.4 percent in 2010. From 2010 to 2015, job growth averages 1.1 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to increase an average of 0.3 percent per year over the 2010 to 2015 period.
- Between 2010 and 2015, the principle job creation is forecast to occur in the wholesale and retail trade sector, which adds 70 jobs, and accounts for 45 percent of all growth. No other sector is forecast to increase employment by more than 30 jobs.
- Annual population growth in the 2010 to 2015 period averages 0.3 percent per year.
- Net migration is forecast at approximately zero in 2010, with an estimated 4 persons entering the county. Over the next five years migration is expected to average 23 net migrants per year. Net migration is responsible for the majority of population growth because the natural increase is near zero.
- Real per capita income is forecast to decline 0.7 percent in 2010. Over the next five years real per capita incomes are expected to increase an average of 3.0 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to fall 2.4 percent in 2010. Between 2010 and 2015 real taxable sales are forecast to increase 0.8 percent per year.
- Industrial production is forecast to decline 0.5 percent in 2010. Over the next five years the growth rate of industrial production averages 5.3 percent per year, due to increased goods producing employment. Total crop production, adjusted for inflation, is expected to increase an average of 1.1 percent per year between 2010 and 2015. The principle crop in the county is alfalfa hay.



Modoc County Economic Forecast

2002-2009 History, 2010-2035 Forecast

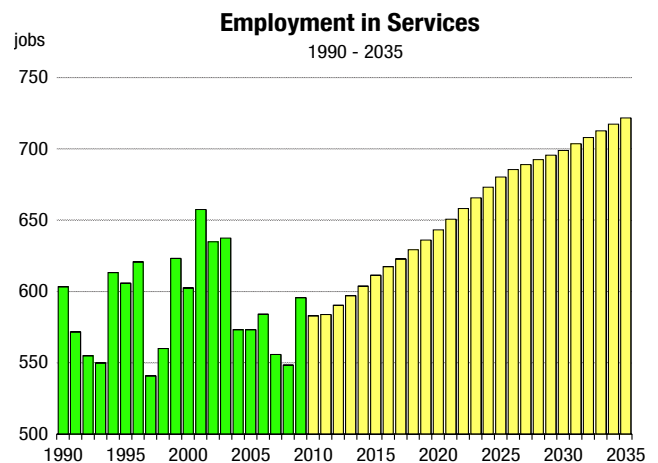
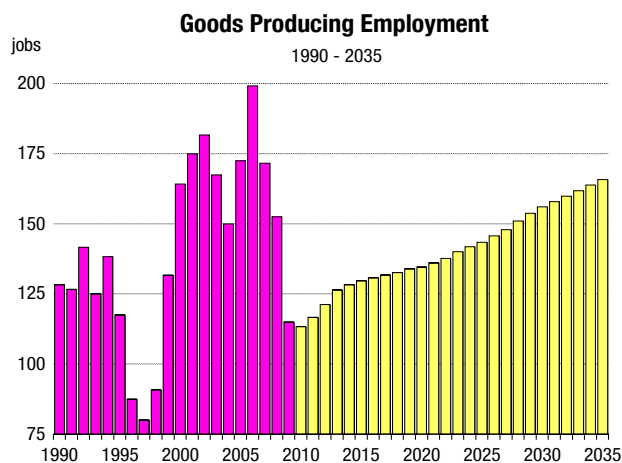
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	9,436	25	12.1	3.8	27	\$73	\$225	\$27,786	1.6	85.9	18.4	7.9
2003	9,547	137	12.2	3.8	35	\$74	\$231	\$27,709	1.8	82.7	18.7	8.8
2004	9,619	106	13.1	3.9	14	\$83	\$234	\$27,536	1.2	79.6	18.3	8.8
2005	9,656	58	13.2	4.0	23	\$82	\$239	\$27,375	2.0	96.9	23.1	8.1
2006	9,705	62	13.3	4.0	22	\$90	\$245	\$27,128	3.2	99.9	28.9	7.8
2007	9,648	-39	13.5	4.0	18	\$89	\$255	\$27,468	3.4	95.3	25.5	8.1
2008	9,682	47	13.7	4.1	9	\$92	\$269	\$28,014	3.0	107.9	23.8	9.8
2009	9,699	16	13.7	4.1	17	\$89	\$280	\$28,915	0.8	109.1	18.4	13.1
2010	9,706	4	13.8	4.1	17	\$89	\$285	\$28,711	2.1	110.9	18.3	14.4
2011	9,723	12	13.9	4.1	20	\$91	\$296	\$29,132	2.4	112.5	19.1	12.9
2012	9,763	34	14.1	4.1	22	\$93	\$316	\$30,285	2.1	113.8	20.5	10.8
2013	9,787	15	14.3	4.1	22	\$96	\$334	\$31,248	2.2	115.0	21.9	9.8
2014	9,842	46	14.5	4.1	23	\$100	\$354	\$32,245	2.2	116.0	22.8	8.7
2015	9,860	6	14.7	4.1	22	\$103	\$374	\$33,255	2.2	116.8	23.7	8.1
2016	9,888	15	14.9	4.1	21	\$107	\$394	\$34,221	2.2	117.6	24.3	7.7
2017	9,917	14	15.0	4.2	21	\$110	\$412	\$34,900	2.2	118.2	25.1	7.5
2018	9,947	14	15.1	4.2	21	\$113	\$430	\$35,553	2.2	118.9	26.0	7.4
2019	9,999	33	15.2	4.2	21	\$116	\$449	\$36,162	2.2	119.4	27.0	7.1
2020	10,041	23	15.3	4.2	21	\$120	\$468	\$36,757	2.1	119.9	28.2	7.0
2021	10,075	13	15.5	4.2	21	\$123	\$488	\$37,250	2.5	120.2	29.4	6.9
2022	10,118	22	15.7	4.2	21	\$126	\$512	\$37,954	2.6	120.5	30.6	6.7
2023	10,151	11	15.8	4.2	21	\$129	\$538	\$38,709	2.5	120.9	31.9	6.6
2024	10,179	5	16.0	4.2	21	\$133	\$565	\$39,607	2.4	121.3	33.1	6.4
2025	10,211	8	16.2	4.3	20	\$136	\$594	\$40,483	2.5	121.7	34.4	6.3
2026	10,232	-3	16.4	4.3	21	\$140	\$620	\$41,138	2.5	122.1	35.8	6.3
2027	10,258	1	16.6	4.3	20	\$143	\$645	\$41,682	2.6	122.5	37.4	6.2
2028	10,287	6	16.8	4.3	21	\$147	\$672	\$42,095	2.8	122.8	39.2	6.1
2029	10,320	10	17.0	4.3	21	\$151	\$699	\$42,492	2.7	123.2	41.0	6.0
2030	10,357	14	17.2	4.3	21	\$154	\$727	\$42,899	2.7	123.4	42.7	5.9
2031	10,388	8	17.4	4.3	20	\$158	\$756	\$43,324	2.7	123.5	44.5	5.7
2032	10,414	1	17.6	4.3	20	\$162	\$786	\$43,743	2.7	123.7	46.2	5.8
2033	10,438	-1	17.8	4.3	20	\$166	\$817	\$44,196	2.7	124.0	48.1	5.8
2034	10,465	2	18.0	4.4	20	\$170	\$850	\$44,658	2.7	124.4	50.0	5.9
2035	10,499	8	18.1	4.4	20	\$174	\$885	\$45,129	2.7	124.8	52.0	5.9

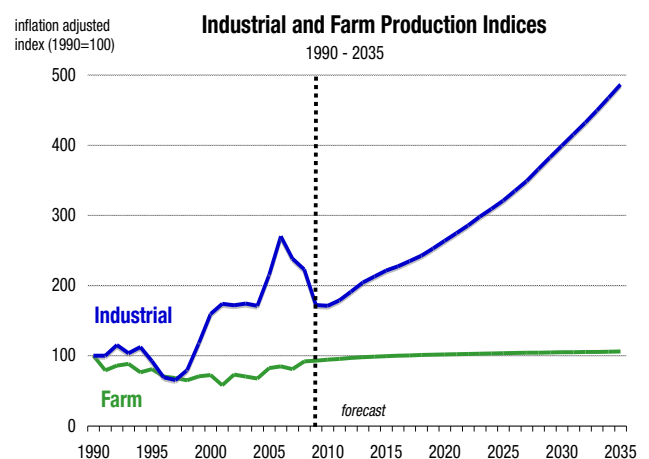
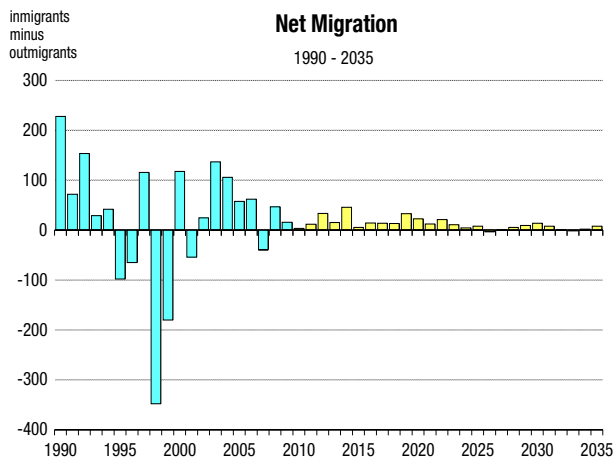
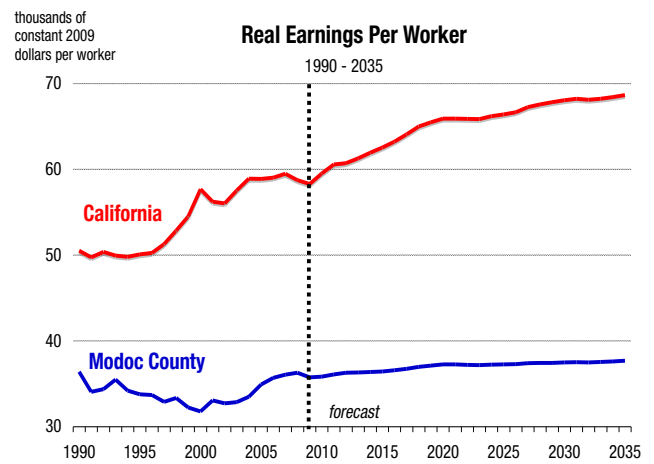
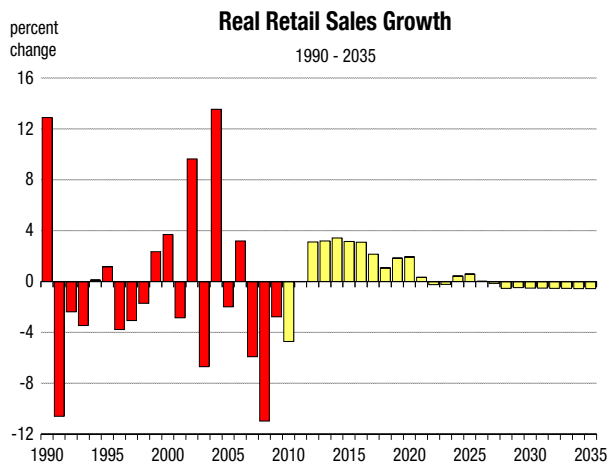


Modoc County Employment Forecast

2002-2009 History, 2010-2035 Forecast

	Total Wage & Salary	Farm	Goods Producing	Wholesale & Retail Trade	Health & Education	Leisure	Government
	employment (jobs)						
2002	3,036	312	182	528	148	152	1,380
2003	3,093	375	168	519	148	167	1,394
2004	2,968	375	150	470	133	166	1,400
2005	2,962	351	173	465	148	154	1,400
2006	2,974	345	199	459	155	140	1,387
2007	2,899	333	172	470	158	126	1,369
2008	2,853	378	153	413	158	126	1,362
2009	2,783	329	115	321	154	95	1,422
2010	2,793	348	113	320	154	99	1,428
2011	2,811	351	117	331	155	103	1,428
2012	2,852	354	121	354	156	108	1,433
2013	2,889	356	126	368	157	112	1,441
2014	2,922	358	128	381	158	115	1,450
2015	2,956	360	130	394	159	120	1,461
2016	2,979	360	131	399	160	122	1,471
2017	3,001	358	132	406	161	125	1,482
2018	3,014	355	133	404	162	129	1,494
2019	3,031	352	134	401	163	133	1,508
2020	3,053	351	135	401	164	137	1,523
2021	3,081	351	136	403	165	141	1,539
2022	3,112	352	138	408	167	144	1,556
2023	3,141	353	140	409	168	147	1,573
2024	3,172	354	142	412	169	150	1,590
2025	3,199	355	143	414	170	153	1,607
2026	3,235	356	146	424	171	155	1,623
2027	3,270	357	148	437	172	156	1,640
2028	3,304	358	151	447	173	155	1,656
2029	3,336	358	154	456	174	155	1,672
2030	3,368	359	156	466	175	154	1,688
2031	3,400	359	158	476	176	155	1,704
2032	3,433	360	160	485	177	156	1,719
2033	3,465	361	162	494	178	157	1,735
2034	3,498	362	164	503	179	158	1,751
2035	3,529	363	166	511	179	158	1,767





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	13.5%
Expected job growth:	5.8%
Fastest growing jobs sector:	Wholesale & Retail Trade
Expected personal income growth:	17.7%

Expected population growth:	1.6%
Net migration to account for:	73.0%
Expected growth in number of vehicles:	7.0%

Demographics (2009)

Unemployment rate (December)	14.5%
County Rank* in California (58 counties):	35th
Working age (16-64) population:	64.7%

Population with B.A. Degree or higher:	12.5%
Median Home Selling Price:	\$91,017
Median Household Income:	\$33,517

Quality of Life

Violent Crime rate (2008):	445 per 100,000 persons
County Rank* in California (58 counties):	33rd
Average Commute Time to work (2009):	15.1 minutes

High School drop out rate (2008):	8.5%
Households at/below poverty line:	17.0%

* The county ranked 1st corresponds to the lowest rate in California